

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. App. 1354(a), 1421 and 1423; 49 U.S.C. 106(g); and 14 CFR 11.89.

§ 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

95-10-11 General Electric Company:

Amendment 39-9228. Docket 95-ANE-17.

Applicability: General Electric Company (GE) CF6-80C2 series turbofan engines installed on, but not limited to, Airbus A300 and A310 series, Boeing 747 and 767 series, and McDonnell Douglas MD-11 series aircraft.

Note: This airworthiness directive (AD) applies to each engine identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For engines that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (e) to request approval from the Federal Aviation Administration (FAA). This approval may address either no action, if the current configuration eliminates the unsafe condition, or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or

repair remove any engine from the applicability of this AD.

Compliance: Required as indicated, unless accomplished previously.

To prevent a loss of the center drive units (CDU) brake holding feature, which could result in possible movement of the fan reverser translating cowl towards the deploy position in flight, accomplish the following:

(a) For fan reversers that have a CDU identified in paragraph 1.A.(1) of Martin Marietta (MM) CF6-80C2 Service Bulletin (SB) No. 78-1002, Revision 1, dated March 23, 1995, installed, perform the following:

(1) If the requirements of MM CF6-80C2 SB No. 78-1002, dated February 27, 1995, or MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, have *not* been previously accomplished, perform a brake holding torque check of the fan reverser CDU, a visual inspection of the translating cowl inner bondment seal, and a functional check of the translating cowl auto re-stow system in accordance with paragraphs 2.B, 2.C, and 2.D of MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, prior to accumulating 250 cycles in service (CIS) or 30 days, after the effective date of this AD, whichever occurs earlier.

(2) If the requirements of MM CF6-80C2 SB No. 78-1002, dated February 27, 1995, or MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, have been previously accomplished, accomplish the following:

(i) Perform a brake holding torque check of the fan reverser CDU in accordance with paragraph 2.B of MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, prior to accumulating 250 CIS since the last brake holding torque check.

(ii) Perform a visual inspection of the translating cowl inner bondment seal, and a functional check of the translating cowl auto re-stow system in accordance with paragraphs 2.C and 2.D of MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, prior to accumulating 1,000 hours since the last visual inspection of the translating cowl inner bondment seal and functional check of the translating cowl auto re-stow system.

(b) Thereafter, for fan reversers that have accomplished the inspection and check requirements in accordance with paragraph (a) of this AD, accomplish the following:

(1) Perform a brake holding torque check of the fan reverser CDU in accordance with paragraph 2.B of MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, prior

to accumulating 250 CIS since the last brake holding torque check.

(2) Perform a visual inspection of the translating cowl inner bondment seal, and a functional check of the translating cowl auto re-stow system in accordance with paragraphs 2.C and 2.D of MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, prior to accumulating 1,000 hours since the last visual inspection of the translating cowl inner bondment seal and functional check of the translating cowl auto re-stow system.

(c) Remove from service the CDU's identified in paragraph 1.A.(1) of MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, in accordance with paragraph 2.F of MM CF6-80C2 SB No. 78-1002, Revision 1, dated March 23, 1995, prior to December 31, 1995, and replace with a serviceable part. Removal and replacement of the CDU in accordance with this paragraph constitutes terminating action to the initial and repetitive inspection and check requirements of paragraph (a) and (b) of this AD.

(d) For the purpose of this AD, a serviceable part is defined as a CDU that has accomplished any revision level of MM CF6-80C2 SB No. 78-1014; or a CDU whose shaft has received the hardness inspection in accordance with any revision level of GE CF6-80C2 SB No. 78-131, and that has not had a brake shaft replacement subsequent to the hardness inspection.

(e) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Engine Certification Office. The request should be forwarded through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Engine Certification Office.

Note: Information concerning the existence of approved alternate methods of compliance with this airworthiness directive, if any, may be obtained from the Engine Certification Office.

(f) Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate the aircraft to a location where the requirements of this AD can be accomplished.

(g) The actions required by this AD shall be done in accordance with the following service bulletin:

| Document No. | Pages | Revision | Date |
|--------------------------------|----------------------------|----------------|----------------|
| Martin Marietta CF6-80C2 | 2, 11, 12, 14-18, 20 | Original | Feb. 27, 1995. |
| SB No. 78-1002 | 1, 3-10, 13, 19 | 1 | Mar. 23, 1995. |
| Total pages: 20. | | | |

This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Martin Marietta Services, Inc., Attn: Karen Lyons, 10525 Chester Road, Cincinnati, OH 45215. Copies may be inspected at the FAA, New England Region,

Office of the Assistant Chief Counsel, 12 New England Executive Park, Burlington, MA; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(h) This amendment becomes effective on May 31, 1995.

Issued in Burlington, Massachusetts, on May 2, 1995.

Mark C. Fulmer,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.
[FR Doc. 95-11904 Filed 5-12-95; 3:16 pm]

BILLING CODE 4910-13-U

COMMODITY FUTURES TRADING COMMISSION**17 CFR Parts 1, 5, and 31****Fees for Applications for Contract Market Designation, Leverage Commodity Registration and Registered Futures Association and Exchange Rule; Enforcement and Financial Reviews**

AGENCY: Commodity Futures Trading Commission.

ACTION: Final schedule of fees.

SUMMARY: The Commission periodically adjusts fees charged for certain program services to assure that they accurately reflect current Commission costs. In this regard, the staff recently reviewed the Commission's actual costs of processing applications for contract market designation (17 CFR Part 5, Appendix B), audits of leverage transaction merchants (17 CFR Part 31, Appendix B) and registered futures association and exchange rule enforcement and financial reviews (17 CFR Part 1, Appendix B). The following fee schedule for fiscal 1995 reflects the actual costs to the Commission of providing those services during fiscal years 1992, 1993 and 1994. Accordingly, the Commission will reduce the fees as follows: applications for contract market designation for a futures contract will be reduced from \$12,000 to \$9,600; contract market designation for an option contract will be reduced from \$3,000 to \$1,600; contract markets that simultaneously submit designation applications for a futures and an option on that futures contract will be reduced from a combined fee of \$13,000 for both to \$10,000 for both; and leverage commodity registration will be maintained at \$4,500. In addition, the Commission will publish the schedule of fees for registered futures association and exchange rule enforcement and financial reviews.

EFFECTIVE DATE: Contract Market Designation and Leverage Commodity Registration May 16, 1995. Registered Futures Association and Exchange Rule Enforcement and Financial Reviews July 17, 1995.

FOR FURTHER INFORMATION CONTACT: Gerald P. Smith, Special Assistant to the Executive Director, Office of the Executive Director, Commodity Futures Trading Commission, 2033 K Street, NW., Washington, DC 20581, telephone number 202-254-6090.

SUPPLEMENTARY INFORMATION: The Commission periodically reviews the actual costs of providing services for which fees are charged and adjusts these

fees accordingly. In connection with its most recent review, the Commission has determined that fees for contract market designations should be adjusted. Also, this release announces the fiscal 1995 schedule of fees for registered futures association and exchange rule enforcement and financial reviews and maintains leverage commodity registration fees.

Background Information*I. Computation of Fees*

In accordance with Section 237 of the Futures Trading Act of 1982 (7 U.S.C. 16a) the Commission has established fees for certain activities and functions performed by the Commission.¹ In calculating the actual cost of processing applications for contract market designation, registering leverage commodities, and performing registered futures association and exchange rule enforcement and financial reviews, the Commission takes into account personnel costs (direct costs), and benefits and administrative costs (overhead costs).

The Commission first determines personnel costs by extracting data from the agency's Management Accounting Structured Code (MASC) system. Employees of the Commission record the time spent on each project under the MASC system. The Commission then adds an overhead factor that is made up of two components—benefits and general and administrative costs. Benefits, which include retirement, insurance and leave, are based on a government-wide standard established by the Office of Management and Budget in Circular A-76. General and administrative costs include the Commission's costs for space, equipment, utilities, etc. These general and administrative costs are derived by computing the percentage of Commission appropriations spent on these non-personnel items. The overhead calculations fluctuate slightly due to changes in government-wide benefits and the percentage of Commission appropriations applied to non-personnel costs from year to year. The actual overhead factor for prior fiscal years were 99% in 1992, 93% in 1993 and 95% in 1994.

Once the total personnel costs for each fee item (contract market designation, rule enforcement review, etc.) have been determined for each year the overhead factor is applied and the costs for fiscal years 1992, 1993 and 1994 are averaged. This results in a

calculation of the average annual cost over the three-year period.

II. Applications for Contract Market Designation

On August 23, 1983 the Commission established a fee for Contract Market Designation. 48 FR 38214. This fee was based upon a three-year moving average of the actual costs expended and the number of contracts reviewed during that period of time. The fee charged was reviewed again in fiscal 1985 and every year thereafter to determine the fee for the current year. In fiscal 1985 the overwhelming majority of designation applications was for futures contracts as opposed to option contracts. Therefore, the proposed fee covered both futures and option designation applications. In fiscal 1992 the Commission reviewed its data on the actual costs for reviewing designation applications for both futures and option contracts and determined that the cost of reviewing a futures contract designation application was much higher than the cost of reviewing an option contract. It also determined that, when designation applications for both a futures contract and an option on that futures contract are submitted simultaneously, the cost for review of the option contract designation application was even lower than the individual cost of reviewing the futures contract plus the option contract.

The Commission staff reviewed the actual costs of processing applications for contract market designation for a futures contract for fiscal years 1992, 1993 and 1994 and found that the average cost over the three year period was \$9,649. The review of actual costs of processing applications for contract market designation for an option contract for fiscal years 1992, 1993 and 1994 revealed that the average costs over the same three year period was \$1,635. Accordingly, the Commission has determined that the fee for applications for contract market designation for a futures contract will be reduced to \$9,600 and the fee for applications for contract market designation as an option contract will be reduced to \$1,600 in accordance with the Commission's regulations (17 CFR Part 5, Appendix B). In addition, the combined fee for contract markets simultaneously submitting designation applications for a futures contract and an option contract on that futures contract will be reduced to \$10,000.

III. Leverage Commodity Registration

No new applications for leverage commodity registration were received by the Commission in fiscal years 1992, 1993 or 1994. Accordingly, the

¹ For a broader discussion of the history of Commission fees, see 52 FR 46070 (Dec. 4, 1987).

Commission will maintain the present fee of \$4,500 for leverage commodity registration.

IV. Registered Futures Association and Exchange Rule Enforcement and Financial Reviews

Under the formula adopted in 1993 (58 FR 42643, August 11, 1993, which appears in 17 CFR Part 1, Appendix B),

the Commission calculates the rule enforcement and financial review fees based on its actual costs, as well as actual exchange trading volume. The formula for calculating the rule enforcement and financial review fee is $0.5a + 0.5vt$ = current fee. In the formula, "a" equals the average annual costs, "v" equals the percentage of total

volume across exchanges over the last three years and "t" equals the average annual cost for all exchanges.

To determine the fee, first the staff calculates actual costs for the last three fiscal years. The average annual costs for that time period for rule enforcement reviews and financial reviews for each exchange are as follows:

| Exchange | FY 1992-1994 Average annual costs for review services |
|--|---|
| Chicago Board of Trade | \$223,213.48 |
| Chicago Mercantile Exchange | 281,309.90 |
| Coffee, Sugar and Cocoa Exchange | 82,768.19 |
| New York Mercantile/COMEX Exchange | 183,632.11 |
| New York Cotton Exchange | 97,294.64 |
| Kansas City Board of Trade | 17,339.45 |
| New York Futures Exchange | 85,024.67 |
| Minneapolis Grain Exchange | 27,660.25 |
| Philadelphia Board of Trade | 2,622.61 |
| Amex Commodity Corporation | 1,174.90 |
| Total | \$1,002,040.20 |

Second, the staff calculates the trading volume for the past three fiscal years to determine the cumulative volume for each exchange and its percentage of total volume across all exchanges during that same period. The trading volume figures for that period are as follows:

| Exchange | FY 1992-1994 cumulative volume | Percentage of total volume across exchanges |
|--|--------------------------------|---|
| Chicago Board of Trade | 544,962,241 | 42.8535 |
| Chicago Mercantile Exchange | 461,689,060 | 36.3052 |
| Coffee, Sugar and Cocoa Exchange | 32,057,990 | 2.5209 |
| New York Mercantile/COMEX Exchange | 210,537,536 | 16.5558 |
| New York Cotton Exchange | 11,568,103 | 0.9097 |
| Kansas City Board of Trade | 4,761,301 | 0.3744 |
| New York Futures Exchange | 3,544,087 | 0.2787 |
| Minneapolis Grain Exchange | 2,427,367 | 0.1909 |
| Philadelphia Board of Trade | 138,765 | 0.0109 |
| Amex Commodity Corporation | 0 | 0.0000 |
| Total | 1,271,686,450 | 100.0000 |

Finally, the staff calculates the current fees by applying the appropriate exchange data to the formula. The following is an example of how the rule enforcement and financial review fees for exchanges are calculated.

Example: The Minneapolis Grain Exchange (MGE) average annual cost is \$27,660.25 and its percentage of total volume over the last three years is 0.1909%. The annual average total cost for all exchanges during that same time period is \$1,002,040.20. As a result, the MGE fee for fiscal 1995 is:

$$(.5)(\$27,660.25) + (.5)(.001909)(\$1,002,040.20)$$

$$= \text{current fee or } \$13,830.12 + \$956.45 = \$14,786.57$$

As stated in 1993, when the formula was adopted, if the calculated fee using this formula is higher than actual costs, the exchange pays actual costs. If the calculated fee using the formula is less than actual costs then the exchange pays the calculated fee. No exchange will pay more than actual costs. Also, if an exchange has no volume over the three-year period it pays a flat 50% of actual costs.

The National Futures Association (NFA) is a registered futures association

which is responsible for regulating the practices of its members. In its oversight role, the Commission performs rule enforcement and financial reviews of the NFA. The Commission's average annual cost for reviewing the National Futures Association during fiscal years 1992 through 1994 is \$248,187.94. The National Futures Association will continue to be charged 100% of its actual costs.

Based upon this formula the fees for all of the exchanges and the NFA for fiscal 1995 are as follows:

| Exchange/NFA | 1995 Fee |
|--|--------------|
| Chicago Board of Trade | \$223,213.48 |
| Chicago Mercantile Exchange | 281,319.91 |
| Coffee, Sugar and Cocoa Exchange | 54,014.31 |
| New York Mercantile/COMEX Exchange | 174,763.94 |

| Exchange/NFA | 1995 Fee |
|------------------------------------|----------------|
| New York Cotton Exchange | 53,205.10 |
| Kansas City Board of Trade | 10,545.54 |
| New York Futures Exchange | 43,908.68 |
| Minneapolis Grain Exchange | 14,786.57 |
| Philadelphia Board of Trade | 1,857.41 |
| Amex Commodity Corporation | 587.45 |
| National Futures Association | 278,187.94 |
| Total | \$1,136,390.33 |

As in the calculation of fees in previous years, the fiscal 1995 fee for the Chicago Board of Trade includes the MidAmerica Commodity Exchange.

V. Regulatory Flexibility Act

The Regulatory Flexibility Act ("RFA"), 5 U.S.C. 601 *et seq.*, requires agencies to consider the impact of rules on small businesses. The fees implemented in this release affect contract markets (also referred to as "exchanges") and registered futures associations. The Commission has previously determined that contract markets are not "small entities" for purposes of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, 47 FR 18618 (April 30, 1982). Registered futures associations also are not considered "small entities" by the Commission. Therefore, the requirements of the Regulatory Flexibility Act do not apply to contract markets or registered futures associations. Accordingly, the Chairman, on behalf of the Commission, certifies that the fees implemented herein do not have a significant economic impact on a substantial number of small entities.

Issued in Washington, DC., on May 9, 1995, by the Commission.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 95-11990 Filed 5-15-95; 8:45 am]

BILLING CODE 6351-01-P

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 247

RIN 1510-AA44

Regulations Governing FedSelect Checks

AGENCY: Financial Management Service, Fiscal Service, Treasury.

ACTION: Final rule.

SUMMARY: The Financial Management Service, U.S. Department of the Treasury, is issuing a final rule to govern FedSelect checks, a new

payment instrument for use by Federal agencies in paying Federal obligations. This final rule sets forth procedural instructions for using FedSelect checks, and defines the rights and liabilities of the Federal Government, Federal Reserve Banks, and banks in connection with FedSelect checks.

EFFECTIVE DATE: June 15, 1995.

FOR FURTHER INFORMATION CONTACT: Gary Garner, Program Analyst, Cash Management Policy and Planning, 202-874-6751; or Brad Ipema, Principal Attorney, 202-874-6680.

SUPPLEMENTARY INFORMATION: This portion of the preamble discusses the basis and purpose of 31 CFR part 247. It also responds to comments on the Financial Management Service's (FMS) notice of proposed rulemaking (NPRM) on this subject issued October 21, 1994 (59 FR 53125). A notice to extend the comment period for the notice of proposed rulemaking to December 21, 1994 was issued November 28, 1994 (59 FR 60739).

The FMS currently offers Federal agencies two payment mechanisms for paying Federal obligations. A Federal agency may either request the issuance of a Treasury check or the initiation of an electronic funds transfer. However, the FMS is making available to Federal agencies a third payment option called FedSelect, a new check instrument to be used with imprest fund transactions and other "on-demand" payment needs. The preferred method of payment is electronic. However, FedSelect is the FMS's response to customer needs for a new paper instrument and is to be used only when checks are deemed appropriate and consistent with FMS policy as contained in 31 CFR part 206.

General Comments and Responses on the NPRM

The Department received eight written comments on the NPRM from Federal agency officials and the financial community. One organization expressed concern that the Government proposes direct competition to the current third party draft industry. The Report of the National Performance Review (NPR), September 1993, FM08,

stated that since third party drafts are like checks, agencies essentially pay someone else to have a bank account for them. It was recommended that the Secretary of the Treasury eliminate the use of third party drafts and allow the use of commercial checking accounts. FedSelect grew out of this NPR recommendation, with an FMS desire to offer an alternative to third party drafts and improve customer services.

Several questions were raised regarding the operation of FedSelect. One organization and one bank wanted to know whether existing Federal Reserve bank routing numbers will be utilized on FedSelect checks. FedSelect checks will be drawn on the Federal Reserve Bank of Chicago and will bear that Reserve Bank routing number.

One organization requested identification of the types of transactions for which FedSelect checks will be used. FedSelect checks potentially may be used to pay all Government financial obligations; e.g., benefit and vendor payments.

Two organizations wanted to know how many FedSelect checks will be issued for each type of payment. It is undetermined at this time how many checks will be issued for each type of payment.

One organization requested to know the types of persons and entities that will be payees of such instrument. All types of persons and entities doing business with the Government will be payees of such instrument.

One organization wanted to know the start-up date of FedSelect. The start-up date for FedSelect will be July through October 1995.

Two organizations requested that the FMS provide banks with sample FedSelect checks so that their personnel can become familiar with them. It will be recommended that area banks be provided sample FedSelect checks by Federal agencies utilizing FedSelect checks in their respective locale. This will allow bank personnel to become familiar with the FedSelect checks.

Several organizations requested that the FMS describe plans to prevent fraud losses due to counterfeiting, forgery and